

PROPOSAL EVALUATION

Proposition 84 Integrated Regional Water Management (IRWM) Grant Program Implementation Grant, Round 2, 2013

Applicant	Association of Bay Area Governments (ABAG)	Amount Requested	\$20,000,000
Proposal Title	San Francisco Bay Regional Water Enhancement Program	Total Proposal Cost	\$57,349,760

PROJECT SUMMARY

The proposal consists of 20 projects with the following benefit types: water supply, water quality, habitat restoration, and flood protection. Projects include: (0) Grant Administration, (1) Bay Area Regional Conservation and Education Program, (2) East Bayshore Recycled Water Project Phase 1A (Emeryville), (3) Lagunitas Creek Watershed Sediment Reduction and Management Project, (4) Marin/Sonoma Conserving Our Watersheds: Agricultural BMP Projects, (5) Napa Milliken Creek Flood Damage Reduction and Fish Passage Barrier Removal, (6) North Bay Water Reuse Program – Sonoma Valley CSD 5th Street East/McGill Road Recycled Water Project, (7) Oakland Sausal Creek Restoration Project, (8) Pescadero Water Supply and Sustainability Project, (9) Petaluma Flood Reduction, Water & Habitat Quality, and Recreation Project for Capri Creek, (10) Redwood City Bayfront Canal and Atherton Channel Flood Improvement and Habitat Restoration Project, (11) Regional Groundwater Storage and Recovery Project Phase 1A – South Westside Basin, Northern San Mateo County, (12) Richmond Breuner Marsh Restoration Project, (13) Roseview Heights Infrastructure Upgrades for Water Supply and Quality Improvement, Santa Clara County, (14) San Francisco Bay Climate Change Pilot Projects Combining Ecosystem Adaptation, Flood Risk Management and Wastewater Effluent Polishing, (15) San Francisco International Airport Reclaimed Water Facility, (16) San José Green Streets & Alleys Demonstration Projects, (17) San Pablo Rheem Creek Wetlands Restoration Project, (18) St. Helena Upper York Creek Dam Removal and Ecosystem Restoration Project, and (19) Students and Teachers Restoring a Watershed (STRAW) Project – North and East Bay Watersheds.

PROPOSAL SCORE

Criteria	Score/ Max. Possible	Criteria	Score/ Max. Possible
Work Plan	9/15	Technical Justification	6/10
Budget	3/5		
Schedule	4/5	Benefits and Cost Analysis	21/30
Monitoring, Assessment, and Performance Measures	3/5	Program Preferences	10/10
Total Score (max. possible = 80)			56

EVALUATION SUMMARY

WORK PLAN

The criterion is less than fully addressed and documentation or rationales are incomplete or insufficient. For example, construction tasks do not provide a detail narrative of the construction components and what is being constructed. Construction tasks for most projects include “Construct Project Components” but do not explain what is being constructed. Eight projects have completed 90 to 100% design; however, their plans and specifications were not submitted in the proposal.

Many of the projects discuss public outreach and education goals, but do not include any tasks or deliverables in their work plan for accomplishing those goals (Projects 3, 9, 12, and 14). There is no discussion in the work plan regarding data management and monitoring deliverables. It is not clear how project deliverables including CEQA, feasibility studies, photo documentation, monitoring plans, designs and specifications, etc. are coordinated for the entire proposal. Grant Administration includes a coordination task for progress/quarterly reports, grant reimbursement and invoicing; however, it does not identify a task for coordinating project data and project deliverables among project proponents and submittal of such data to DWR.

Also, in general the projects are inconsistent in identifying the tasks needed to complete CEQA, permitting, and performance evaluation. Contingency plans for projects relying on completion of other phases or projects and/or land owner agreements are not identified (e.g. Projects 10 and 11).

BUDGET

The budgets for more than half of the projects in the proposal have detailed cost information, but not all costs appear reasonable or supporting documentation is lacking for a majority of the budget categories. A summary budget and detailed budgets are provided for the entire proposal, but the work plan tasks including the construction activities lack sufficient detail and therefore a majority of costs cannot be verified. Some of the more costly projects provide little detail within the cost categories in the form of lump sums, without proper supporting documentation (i.e., identification of the source of estimates and/or justification of the basis of the estimates).

The budgets for many of the projects lack detail to explain how consultant costs were determined. The budget for several project tasks is not compatible with the work plan. For example, Project 2 work plan lists five tasks under Task E but the budget allots no money to the task. In addition, the budget does not identify funding for the data management and monitoring deliverables identified in the work plan, including any data sharing efforts with the applicable State databases as required by the PSP (page 20).

SCHEDULE

The criterion is fully addressed but is not supported by thorough documentation or sufficient rationale. The overall schedule is reasonable and demonstrates a readiness to begin construction or implementation no later than October 2014. The schedule shows the start and end dates of each project and anticipates an end date for the entire agreement. However, the Gantt chart for Project 2 shows that Task 9 (Project Construction) starts in October 2013, but Task 8 (Construction Contracting) doesn’t start until January 2014, which is out of sequence. The schedule is not consistent with the work plan for various project tasks. For example, the schedule shows 196 days to complete CEQA compliance for Task 6 of Project 1, but the work plan shows Task 6 is not applicable. Conversely, the schedule shows Task 8 (Construction Contracting) of Project 1 is not applicable, but the work plan shows Task 8 activities that would take some amount of time.

The schedule for Project Administration only shows the construction/implementation category tasks and does not show the coordination and submittal of deliverables for other categories. The schedule shows the following tasks are not applicable: environmental compliance, land purchase/easement, assessment and feasibility study, final design, environmental documentation, and permitting. Given the task description in the work plan, the agreement execution date of October 2013 is not feasible.

MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES

The criterion is less than fully addressed and documentation or rationales are incomplete or insufficient. The Proposal included performance indicators, desired outcomes, targets, project goals, and measurement tools and methods for each project. However many performance measures and measurement tools and methods are vague. For example, Project 1 (p. 6) indicates surveys of landscape professionals and home gardeners as measurement tools and methods but no linkage to performance indicators. Achieving water savings of approximately 442 acre-feet over the 20-year lifespan of the system and “Achieve potable water savings of approximately 44 acre-feet a year” are performance indicators but tracking number of workshops, education materials, etc. are measurement tools (p. 8). Project 5 describes steelhead spawning and foraging activities as performance indicators with only references to restoration manuals and surveys, with no metrics provided (p. 14). Other similarly vague metrics are shown on pages 16 and 17. Project 9 lists water quality sampling in measurement tools and metrics but no mention of parameters sampled or performance indicator metrics (p. 20, 21).

TECHNICAL JUSTIFICATION

The proposal appears to be technically justified to achieve the claimed benefits but lacks documentation that demonstrates the technical adequacy of the projects and/or physical benefits are not well described. Although the physical benefits of the projects are quantified where applicable, they are not well described. For example, several projects lacked a discussion of the methods used to estimate the stated physical benefits (Projects 1, 2, 6, and 14). In addition, the justification of the physical benefits is lacking for some projects. For example, the computation of annual water savings is incorrect or incomplete for some of the components of Project 1. Although supportive documentation was cited via web links no narrative summaries or links to specifics of the technical justification or applicability with claimed benefits were provided.

BENEFITS AND COST ANALYSIS

Collectively the proposal is likely to provide a medium level of benefits in relationship to cost and this finding is supported by detailed, high quality analysis and clear and complete documentation. This application includes a wide variety of projects including conjunctive use, conservation, recycling, replacement of water supply infrastructure, habitat, stormwater, flood damage reduction and watershed projects. Most projects appear to be well thought out and benefits are well-documented. Generally, benefits are monetized when appropriate and qualitative benefits are well-described. Seven projects representing over 70 percent of the present value of project costs are focused on water supply. The reviewer believes that the value of water supply for some of these projects is substantially overstated. In this requirement, the word “cost” means the economic cost from the State perspective, not the price of water charged the local purveyor. Some projects base benefits on wholesale water costs, and others base benefits on the marginal cost of new supplies. For some projects, this approach, using a single price or cost of alternative supply, is too simplistic. This application includes some excellent projects, but projects that provide water in normal to wet years at a cost far above the incremental costs of existing supplies are probably not economical. Hydrologic studies that document supplies and shortage over a representative hydrologic period would be helpful.

PROGRAM PREFERENCES

Applicant claims that six program preferences and seven statewide priorities will be met with project implementation. However, applicant demonstrates high degree of certainty, and adequate documentation for 11 of the Preferences claimed: (1) Include regional projects or programs; (2) Effectively integrate water management programs and projects within hydrologic region identified in the CWP; RWQCB region or subdivision; or other region or sub-region specifically identified by DWR; (3) Contribute to attainment of one or more of the objectives of the CALFED Bay-Delta Program; (4) Address critical water supply or water quality needs of disadvantaged communities within the region; (5) Drought Preparedness; (6) Use and Reuse Water More Efficiently; (7) Climate Change Response Actions; (8) Expand Environmental Stewardship; (9) Practice Integrated Flood Management; (10) Protect Surface Water and Groundwater Quality; and (11) Ensure Equitable Distribution of Benefits.